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REMARKS

The Office Action of 07/05/2007 has been carefully considered. Reconsideration in view of the foregoing amendments and the present remarks is respectfully requested.

The allowance of claims 9, 13-27, 32, 34 and 35 is appreciatively acknowledged.

Claims 5 and 30 have been amended consistent with the allowed claims for greater clarity.

Claims 5 and 30 were rejected as being anticipated by Calderbank. This rejection is respectfully traversed.

According to the reading of Calderbank (Fig. 1 thereof) set forth in the Office Action, the output of the scrambler 104 is the "first bit stream," and the region selector 124 is the "means for generating a first encoder first bit and a first encoder second bit *for each bit in the first bit stream.*" However, it may be appreciated from further consideration of Fig. 1 that the region selector 124 does *not* generate a first encoder first bit and a first encoder second bit *for each bit* in the output of the scrambler 104. Rather, the output of the scrambler is grouped into groups of 28 bits. Of these 28 bits, only a small portion (five bits, bits  $X_8$ - $X_{12}$ ) are input to the regions selector 124, which produces eight output bits.

The same distinction applies with respect to claim 30.

Accordingly, it may be seen that Calderbank fails to anticipate claims 5 and 30.

Notice of allowance is respectfully requested.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "M. Ure", is written over a horizontal line.

Michael J. Ure, Reg. 33,089

Dated: 10/05/2007